



2018 ANNUAL REPORT

New York State Assembly

Carl E. Heastie

Speaker

Committee on

Housing

Steven H. Cymbrowitz

Chair





STEVEN H. CYMBROWITZ
Assemblyman 45th District
Kings County

THE ASSEMBLY
STATE OF NEW YORK
ALBANY

CHAIRMAN
Committee on Housing

COMMITTEES
Codes
Environmental Conservation
Health
Insurance

Honorable Carl E. Heastie
Speaker of the Assembly
State Capitol, Room 349
Albany, New York 12248

Dear Mr. Speaker,

It is my honor to present the 2018 Annual Report for the Assembly Standing Committee on Housing, reflecting the Committee's continued efforts to address the myriad housing needs of New York's low- and middle-income families by focusing on legislation relating to public housing, rent regulation protections and other affordable housing options.

Preserving New York's public housing and ensuring the safety of its residents are among my top priorities as Chair, and this year we advanced initiatives to address recent and long-term infrastructure problems within the New York City Housing Authority (NYCHA). Moving forward, the Committee will continue to welcome input from experts, tenants and advocates while supporting policies to ensure that public housing units across the State remain forever affordable and meet the needs of their residents.

There are nearly one million rent-regulated apartments in New York, and the Committee has continued its work to help safeguard the affordability of these units. The Assembly passed several pieces of legislation to prevent unconscionable rent increases and protect tenants from being forced from their homes by unscrupulous landlords, including acts to prohibit steep preferential rent hikes upon lease renewal, repeal the vacancy bonus (which can cause an increase in rent of up to 20 percent), and reform the process for calculating rent increases when property improvements are made. Next year, we may finally have the real opportunity for like minds to come together and pass these much-needed reforms into law, an enormous step in the fight to protect the city's affordable housing stock.

Other significant actions included the passage of laws extending the authority of the New York City Department of Housing, Preservation & Development to finance, through various programs, the preservation and development of affordable housing throughout the five boroughs, and increasing the bonding authority of the city's Housing Development Corporation to encourage the same.

Mr. Speaker, I thank you for the continued opportunity to uphold the Assembly's commitment to ensuring that every New Yorker has access to safe, affordable housing. I also wish to thank my fellow Committee members for their support and efforts toward achieving this goal. I look forward to continuing our work together in the coming year.

Sincerely,

Steven H. Cymbrowitz
Chair, Committee on Housing

**2018 ANNUAL REPORT
OF THE
ASSEMBLY STANDING COMMITTEE ON HOUSING**

STEVEN H. CYMBROWITZ, CHAIR

Members of the Committee

Majority

Vivian E. Cook
Linda B. Rosenthal
Robert J. Rodriguez
Walter T. Mosley
Ron Kim
Victor Pichardo
Latrice M. Walker
Latoya Joyner
Michael A. Blake
Erik Martin Dilan
Rodneyse Bichotte
Maritza Davila
Charles Barron
Carmen De La Rosa
Yuh-Line Niou
Alfred Taylor
Aridia Espinal
Harvey Epstein

Minority

Michael J. Fitzpatrick, *Ranking Minority Member*
Andrew P. Raia
Mark C. Johns
Raymond W. Walter
Ron Castorina, Jr.
Gary D. Finch
Angelo J. Morinello
Douglas Smith

Staff

Giovanni Warren, *Assistant Secretary for Program and Policy*
Patrick Totaro, *Associate Counsel*
Annalyse Komoroske, *Analyst*
Emily Sischo, *Committee Assistant*
Nicole VanAuken, *Program and Counsel Secretary*
Lena DeThomasis, *Committee Clerk*
Gianna Romano, *Legislative Aide*
Leonid Markh, *Chief of Staff*
Adrienne Knoll, *Director of Communications*

Table of Contents

I. COMMITTEE JURISDICTION AND PURVIEW3

II. 2018 LEGISLATIVE HIGHLIGHTS.....3

A. Rent Regulation.....3

Parity in Rent Control Rent Increases.....4

Vacancy Decontrol.....4

Individual Apartment Improvement (IAI) Rent Increases.....4

Submetering Rent Reduction Schedules.....5

Compliance with Rent Reduction Orders.....5

Curtailing the Inappropriate Use of Preferential Rents.....5

Major Capital Improvement (MCI) Rent Increases.....5

Repealing the Vacancy Bonus.....6

Extension of Rent Overcharge Complaint Timeline.....6

B. Mitchell-Lama Public Housing.....6

Consistency in Application.....6

Additional Information Regarding Buy-Outs.....7

Income Thresholds.....7

C. Public Housing.....7

Preference to Mobility-Impaired Tenants.....7

Authorization of Design-Build.....8

D. Other Legislation.....8

Refinancing Provisions in Ground Leases.....8

Lease and Landlord Fraud Awareness Program.....8

Authorizing Tenants to Deduct Water Payments.....8

Authorizing Individuals with a Disability to Terminate Leases.....9

Update and Expansion of Loft Laws.....9

Conflicts of Interest for Cooperative and Condominium Housing.....9

III. SFY 2018-2019 BUDGET HIGHLIGHTS.....9

A. Division of Housing and Community Renewal - Capital Projects.....9

B. Division of Housing and Community Renewal - Aid to Localities.....11

C. Division of Housing and Community Renewal - State Operations.....12

D. The Mortgage Insurance Fund.....13

E. Bifurcation of State Low-Income Housing Tax Credits.....14

F. Design-Build Authorization for the New York City Housing Authority.....14

IV. LEGISLATIVE HEARINGS.....14

V. OUTLOOK FOR 2019.....15

APPENDIX A.....16

APPENDIX B.....17

APPENDIX C.....20

I. COMMITTEE JURISDICTION AND PURVIEW

The New York State Assembly Standing Committee on Housing is responsible for legislation on housing development and preservation. Its purview includes rent regulation, as well as legislation amending the following areas of the New York State Law:

- *Multiple Dwelling Law*, which encompasses health and safety standards for buildings with three or more families living independently of each other in New York City, and any other city, town or village that has chosen to adopt the law;
- *Multiple Residence Law*, which covers health and safety standards for buildings with three or more families living independently of each other in all cities, towns and villages outside of New York City;
- *Private Housing Finance Law*, which governs the following entities and programs: Mitchell-Lamas; Limited Dividend Housing Companies; Low Income Housing Trust Fund; Affordable Home Ownership Development; Permanent Housing for Homeless Families; Manufactured Home Cooperative Fund; Housing Development Fund Companies; Neighborhood Preservation Companies; Rural Area Revitalization; Rural Rental Assistance; Urban Initiatives; Rural and Urban Community Investment Fund; several New York City programs; and the administration of the New York State Housing Finance Agency and New York City Housing Development Corporation; and
- *Public Housing Law*, which covers the safety, management and financing of local public housing authorities throughout the State.

In addition to these laws, the Committee has jurisdiction over legislation amending housing-related sections of the Executive Law, Real Property Law, Real Property Actions and Proceedings Law, and Public Authorities Law, and the following unconsolidated areas of New York Law: the Emergency Housing Rent Control Law; the Local Emergency Housing Rent Control Law; the New York City Rent Stabilization Law; the Emergency Tenant Protection Act of 1974; sections of the New York City Administrative Code and the City of Buffalo Administrative Code; and sections of the General Business Law that relate to the conversion of real property from rental to cooperative or condominium status.

II. 2018 LEGISLATIVE HIGHLIGHTS

A. Rent Regulation

Rent regulation laws protect tenants residing in rent-stabilized or rent-controlled apartments in New York City as well as in Nassau, Rockland, and Westchester counties. A large majority of rent-regulated tenants reside in New York City. Data from the 2017 New York

City Housing and Vacancy Survey (HVS), conducted by the U.S. Census Bureau, estimate that there are approximately 988,000 rent-regulated units within New York City, representing around 45% of the City's total rental housing stock. There are 37,560 rent-regulated units outside of New York City: 2,107 in Rockland County, 7,896 in Nassau County and 27,557 in Westchester County.

For rent regulation laws to apply, a municipality must declare a rental housing emergency, defined as a housing stock vacancy rate of 5% or lower. According to the 2017 HVS, the vacancy rate in New York City and some surrounding counties remains under 5%, with the two most recent reports showing a New York City vacancy rate of 3.45% in 2014 and 3.63% in 2017. Due to the existence of this emergency, intervention is critical to protect tenants from unreasonable rent increases and evictions.

Listed below is legislation related to rent regulation and the laws governing these housing units.

1. Parity in Rent Control Rent Increases

A.268 (Rosenthal); Passed Assembly

This bill would create parity between rent control and rent stabilization by capping increases for rent-controlled apartments at a level equal to 7.5% or the average of the previous five rent increases under the Rent Guidelines Board for one-year rent-stabilized renewal leases, whichever is lower. This will prevent rent-controlled units from inflating farther beyond their rent-stabilized counterparts, while maintaining the system of rent control increases currently in place and the protections it affords.

2. Vacancy Decontrol

A.433 (Rosenthal); Passed Assembly

This bill would repeal provisions of law that authorize removal of apartments from rent regulation when these apartments are vacated and the authorized rent is \$2,733.75 or more, with the threshold adjusted annually based on the one-year renewal lease percentage increase guideline issued the prior year by the Rent Guidelines Board. Vacancy decontrol can be an incentive for landlords to withhold services and use forms of harassment to induce regulated tenants to vacate their rental units.

3. Individual Apartment Improvement (IAI) Rent Increases

A.1628 (Mosley); Passed Assembly

This bill would adjust the amount of rent increase a landlord can collect, for any building, from 1/40th to 1/84th of the cost of an Individual Apartment Improvement (IAI); require the Division of Housing and Community Renewal (DHCR) to issue a schedule of reasonable costs for upgrades and improvements that may be claimed as a basis for an adjustment; and require DHCR to approve each adjustment claimed. As a result of this legislation, an IAI rent increase would be temporary, expiring when the cost of the improvement is recovered.

4. Submetering Rent Reduction Schedules

A.1760 (Hevesi); Passed Assembly

This bill would require the Division of Housing and Community Renewal (DHCR) to formulate and publish a schedule of rent adjustments relating to the conversion to individual metering in buildings that factored electricity into the base rent prior to the conversion to direct metering or submetering in order to facilitate fair rent reductions. Upon the building's conversion, this bill would require all tenants to be responsible for their own electric consumption except for those already receiving certain rent-increase exemptions.

5. Compliance with Rent Reduction Orders

A.4003 (Rosenthal); Passed Assembly

Currently, if the amount of rent set in an annual rent registration statement is not challenged within four years of its filing, a complaint challenging the rent cannot be filed. This bill would codify the findings of two 2010 cases, *Cintron v. Calogero* and *Grimm v. DHCR*, by allowing the court to look past the statutory four-year period when there is an indication of fraud or when the owner has failed to comply with a rent reduction order.

6. Curtailing the Inappropriate Use of Preferential Rents

A.6285 (Cymbrowitz); Passed Assembly

A preferential rent is a rent which an owner agrees to charge that is lower than the legal regulated rent that the owner could lawfully collect. Currently, an owner can decide to terminate the preferential rent and charge the higher legal regulated rent upon renewal of the lease or when that tenant permanently vacates the apartment.

This bill would prohibit owners from terminating the preferential rent unless there is a vacancy not caused by failure of the owner to maintain the unit in a habitable condition. An owner would still be able to increase rent throughout a tenancy in accordance with the Rent Guidelines Board, but increases would have to be based off of the preferential rent charged rather than the maximum legal regulated rent.

7. Major Capital Improvement (MCI) Rent Increases

A.8886-A (O'Donnell); Passed Assembly

This bill would establish the conditions for the Division of Housing and Community Renewal's approval of Major Capital Improvement (MCI) rent increases. Also, this bill would reclassify the MCI as a surcharge to the legal maximum regulated rent, instead of an increase in yearly rent paid out over a number of years, and terminate the MCI surcharge after the cost of improvement has been recovered.

8. Repealing the Vacancy Bonus

A.9815 (Pichardo); Passed Assembly

A landlord may currently increase the legal regulated rent of a unit by up to 20 percent after vacancy once every calendar year. This bill would repeal the ability of a landlord to obtain a 20 percent increase in rent upon vacancy, helping to keep units in the rent regulation system and preserve the affordable housing stock.

9. Extension of Rent Overcharge Complaint Timeline

A.9816 (Taylor); Passed Assembly

Currently, if a tenant makes a complaint challenging the amount of rent set in an annual rent registration statement, the court or the Division of Housing and Community Renewal (DHCR) may only consider years within a four-year statute of limitations during which the owner or landlord has failed to file such a statement. However, years outside of the statutory four-year period can be relevant to rent overcharge cases – as established by two 2010 cases, *Cintron v. Calogero* and *Grimm v. DHCR*. This bill would allow a court or DHCR to consider any year during which an owner or landlord has not timely filed an annual rent registration statement when determining the legal regulated rent, and would also require the owner or landlord to provide prospective tenants with documentation supporting any allowable increases in the legal regulated rent during the previous four years.

B. Mitchell-Lama Public Housing

Since the 1950s, the Mitchell-Lama program has provided affordable housing to moderate-income New Yorkers. More than 250 Mitchell-Lama developments exist throughout the State. The continued viability of this program remains a critical part of the Committee's effort to ensure the availability of affordable housing for the citizens of New York.

To date, owners of thousands of apartments have left the program by repaying loans issued under the Private Housing Finance Law. These "buy-outs" can have a devastating impact on the families living in these developments, as rents can increase significantly when existing leases expire and the affordable housing stock further erodes.

1. Consistency in Application

A.4504 (Blake); Passed Assembly

This bill would be a step toward ensuring that the process used to determine which applicants are selected for a unit in a Mitchell-Lama development is uniform and consistent throughout the various Mitchell-Lama developments, by requiring landlords to send written notice within 60 days of denial with explanation of the denial, and information for appeal. This bill would also require that an application cannot be denied if it is still active on the development's waiting list. Lastly, this bill would require Mitchell-Lama developments to maintain basic information from their waiting lists on a

website to ensure that each applicant and potential applicant understands the application process and information on the waiting list, if applicable.

2. Additional Information Regarding Buy-Outs

A.4775 (Blake); Passed Assembly

This bill would require the Division of Housing and Community Renewal (DHCR) to include, in its annual report on the Mitchell-Lama program, any information regarding a limited-profit housing company that has voluntarily dissolved in the preceding calendar year as well as any limited-profit housing company that has filed a notice of its intent to dissolve in the following year. The bill specifies other additional information that must be included in the annual report in order to track the rate at which Mitchell-Lama developments are leaving the program.

This bill would also require DHCR to submit the annual report to the State Comptroller and the Attorney General, as the information provided could aid in the oversight of the program by these offices. Currently, DHCR is required to submit its annual Mitchell-Lama program report to the State Legislature only.

3. Income Thresholds

A.5560 (Cymbrowitz); Passed Assembly

This bill would adjust the aggregate household income threshold of persons or families in the Mitchell-Lama program to eight times the rental amount, including the value or cost of heat, light, water, and cooking fuel for their household in order to include more families and individual tenants in the Mitchell-Lama program. However, in the case of families that have three or more dependents, such ratio to determine the maximum income threshold would be adjusted to nine to one.

C. Public Housing

The Committee on Housing continues to play an important role in regulating and supporting the operation of public housing. There are approximately 180 housing authorities across New York State. Of these, the largest is the New York City Housing Authority (NYCHA), which serves over 400,000 residents through more than 326 public housing developments throughout the five boroughs.

1. Preference to Mobility-Impaired Tenants

A.8994 (Titus); Chapter 13 of the Laws of 2018

This law codifies the current policies and practices of the New York City Housing Authority in relation to granting preference to tenants with physically disabling conditions affecting mobility when a unit on a lower floor becomes available.

2. Authorization of Design-Build

A.10053 (Heastie); Passed Assembly

This bill would authorize a design-build procurement process, through which one contract is awarded for both the design of a project and the subsequent construction, for the New York City Housing Authority (NYCHA). This bill would also require additional reporting on NYCHA's policies and procedures relating to lead-based paint poisoning prevention to the State Legislature to provide more clarity on the status of testing and abatement done by NYCHA on a yearly basis.

D. Other Legislation

1. Refinancing Provisions in Ground Leases

A.353 (Braunstein); Passed Assembly

This bill would define a residential ground lease and establish procedures related to refinancing provisions in ground leases. Ground leases are long-term leases of real property that allow the tenant to construct, improve or renovate structures upon the property.

2. Lease and Landlord Fraud Awareness Program

A.1930-A (Joyner); Passed Assembly

This bill would require the Division of Consumer Protection (DCP) to create a lease and landlord fraud awareness program to demonstrate the potential risks of signing a fraudulent lease with an individual misrepresenting himself or herself as a landlord. DCP would be required to develop written materials and brochures to be made available to the general public and local municipalities.

3. Authorizing Tenants to Deduct Water Payments

A.5685-A (Hunter); Passed Assembly

Current law authorizes tenants who reside in buildings of three or more units to deduct payments made to utilities for gas, electric, steam and water services from rent due when a landlord has failed to make the payment, particularly in cases where a discontinuance of service is imminent. Tenants who reside in one- or two-unit dwellings, however, are only allowed to offset payments made for gas or electric service.

This bill would explicitly authorize tenants of one- and two-unit dwellings to deduct payments made for water service from any future payment of rent in cases where the landlord has not made or refuses to make such payment, extending existing protections to all tenants, regardless of the number of units in the building.

4. Authorizing Individuals with Disabilities to Terminate Leases

A.6028-C (Hunter); Passed Assembly

This bill would provide protections for individuals with a disability who enter into a lease or rental agreement, and who must terminate an existing lease or rental agreement early. Persons wishing to exercise this right would have to inform the property owner, in writing, of their intent, and include documentation regarding the individual with a disability, in order to align with similar protections currently provided to seniors, in cases where the senior is: 1) no longer able to live independently (for medical reasons), or 2) is offered an opportunity to reside in an adult care facility, residential health care facility, a housing unit in a low- to moderate-income housing project, or less expensive premises in a senior housing project.

5. Update and Expansion of the Loft Laws

A.8409-B (Glick); Passed Assembly

This bill would update the application requirements for units applying for coverage under laws relating to interim multiple dwellings (or “lofts”) that were residentially occupied for 12 consecutive months beginning January 1, 2008 and ending December 31, 2008. The bill would also establish a new eligibility period for units having residential occupants for at least 12 consecutive months beginning January 1, 2015 until December 31, 2016. In addition, the bill would set standards and schedules for landlords to comply with basic safety standards and building codes. Lastly, the bill would remove a June 15, 2017 application deadline.

6. Conflicts of Interest for Cooperative and Condominium Housing

A.8993 (Cymbrowitz); Chapter 9 of the Laws of 2018

This law amends Chapter 305 of the Laws of 2017 to clarify that all condominiums and cooperative housing corporations are required to submit, to the board of directors, annual notice of applicable laws regarding related party and interested party transactions and the votes that were subject to such laws.

III. SFY 2018-2019 BUDGET HIGHLIGHTS

APPROPRIATED AMOUNT

A. Division of Housing and Community Renewal – Capital Projects

New York City Housing Authority

\$250 million

The New York City Housing Authority is the largest public housing authority in the nation, with nearly 400,000 low-income New Yorkers calling its 326 developments throughout the five boroughs home. These funds have been made available in order to update and modernize

failing boiler systems and perform other capital repairs needed to maintain the standard of living in these developments.

Multi-Year Housing Program **\$132 million**

These funds will uphold a preexisting multi-year investment in housing by providing bonded capital for supportive housing programs in lieu of original allocations from Medicaid Redesign Team funds.

Low-Income Housing Trust Fund **\$44.2 million**

The Low-Income Housing Trust Fund provides funding to not-for-profits, localities and private developers for the construction or rehabilitation of affordable rental housing for low-income households.

Affordable Housing Corporation **\$26 million**

This program provides grants and loans of up to \$35,000 per unit (plus an additional \$5,000 in high-cost areas) for rehabilitation and new construction of one- to four-family dwellings for low- and moderate-income New Yorkers.

Homes for Working Families Program **\$14 million**

The Homes for Working Families program helps finance the construction and rehabilitation of rental housing for low-income families and senior citizens.

Public Housing Modernization Program **\$6.4 million**

The Public Housing Modernization Program allocates funds to New York State's public housing for expenses related to maintenance, improvements and repairs.

Main Street Program **\$4.2 million**

The Main Street Program helps revitalize and improve village centers and historic downtowns by supplying grants for building renovations, façade and streetscape improvements, and capital funding for projects that will anchor downtown districts. The appearance and functionality of main street buildings often determine the success of community revitalization efforts, and this program creates incentives for strategic investment of public and private resources.

Housing Opportunities Program for the Elderly **\$1.4 million**

The Housing Opportunities Program for the Elderly helps to provide safe, decent and affordable housing for older adults in New York State. The program offers contracts to not-for-profit corporations and municipalities to provide financial assistance for the administration of emergency home repairs programs, which deliver grants and loans in an

amount of up to \$10,000 per unit for the cost of correcting any condition which poses a threat to the life, health or safety of a low-income elderly homeowner.

Access to Home Program **\$1 million**

The Access to Home Program enables individuals with disabilities to live safely and comfortably in their homes by providing funds to help outfit homes with accessibility features such as wheelchair ramps and lifts, handrails, kitchen modifications to create easy-to-reach work and storage areas, and roll-in showers with grab bars, among other improvements.

B. Division of Housing and Community Renewal – Aid to Localities

Small Cities Community Development Block Grant Program **\$40 million**

The Small Cities Community Development Block Grant Program provides financial assistance to eligible cities, towns and villages with populations under 50,000 and counties with a population under 200,000. The purpose of this program is to support the growth of affordable housing and suitable living environments. The program also works to expand economic opportunities for persons of low- and moderate- income.

Low-Income Weatherization Program **\$32.5 million**

The Weatherization Assistance Program assists income-eligible families and individuals by reducing their heating and cooling costs and addressing health and safety issues in their homes through energy-efficiency measures. Weatherization services reduce the amount of energy required to heat and cool homes and provide hot water, thus reducing energy consumption, while minimizing the impact of higher fuel costs on low-income families.

Housing Development Fund Program **\$8.227 million**

The Housing Development Fund loan fund was established in 1966 under the Private Housing Finance Law and is administered by the New York State Division of Housing and Community Renewal. The purpose of this program is to provide loans to not-for-profit organizations to develop low-income housing projects. These loans may be used for pre-development costs, site acquisition, construction/rehabilitation financing and other project development costs and to provide short-term financing repaid from equity contributed by investors in low-income housing credit projects.

Neighborhood Preservation Program **\$4.351 million**

The Neighborhood Preservation Program (NPP) provides grants to cover the costs of not-for-profit community groups engaged in a variety of housing activities in cities, towns and villages with populations of greater than 25,000 people, ranging from housing development and rehabilitation to homebuyer counseling and tenant assistance.

Local Areas Program **\$3.14 million**

The Local Areas Program allows for the payment of periodic subsidies to cities, towns, villages and housing authorities in accordance with the public housing law.

Rural Preservation Program **\$1.821 million**

The Rural Preservation Program (RPP) provides grants to cover the costs of not-for-profit community groups engaged in a variety of housing activities in cities, towns and villages with populations of fewer than 25,000 people, ranging from housing development and rehabilitation to homebuyer counseling and tenant assistance.

Neighborhood Housing Services of Queens, CDC Inc. **\$75,000**

Neighborhood Housing Services of Queens CDC, Inc. is a non-profit organization that helps low- to moderate-income families continue to live in Queens by sustainably achieving or preserving homeownership.

North Brooklyn Development Corporation **\$20,000**

The North Brooklyn Development Corporation works to prevent residential displacement in the Greenpoint and Williamsburg neighborhoods by developing and managing affordable housing and providing educational outreach and one-on-one housing counseling to local tenants.

C. Division of Housing and Community Renewal – State Operations

The Division of Housing and Community Renewal is an executive branch agency responsible for the supervision, maintenance and development of affordable low- and moderate-income housing in New York State. It is one of five agencies, along with the Housing Trust Fund Corporation, the Housing Finance Agency, the State of New York Mortgage Agency, and the Affordable Housing Corporation, that together constitute New York State Homes and Community Renewal. Within these five agencies are 17 offices, some of which receive funding to perform certain functions, and which are outlined below.

The Office of Finance and Development is responsible for investing billions of dollars each year to stimulate the development or preservation of affordable rental housing and to help low- and moderate-income homebuyers purchase their first home. The department's multifamily programs are driven by federal and State Low-Income Housing Tax Credits and tax-exempt bonds, and augmented by an array of State-funded programs targeted to a range of housing and community development needs.

- **Community Development Program** **\$8.966 million**

The Office of Community Renewal manages 18 housing, community and economic development programs including the Affordable Housing Corporation, the New York State Community Development Block Grant Program, the New York Main Street program, the Neighborhood and Rural Preservation programs, and the Residential Emergency Services to Offer (Home) Repairs to the Elderly (RESTORE).

- **Community Renewal Program** **\$327,000**

The Office of Housing Preservation operates programs that maintain and enhance existing affordable housing, including public, privately owned, and previously subsidized housing. These include the Asset Management Unit, the Statewide Section 8 Program and Weatherization Assistance Programs.

- **Housing Program** **\$21.903 million**
- **Low-Income Weatherization Program** **\$4.724 million**
- **Rent Administration Program** **\$43.516 million**

The Office of Professional Services includes shared support functions such as Human Resources, Facilities, Procurement, Finance, Information Technology and corporate compliance.

- **Administration Program** **\$13.479 million**

D. The Mortgage Insurance Fund

In the 2018-2019 State Budget, Article VII language transferred \$53 million to utilize reserves in the Mortgage Insurance Fund (MIF) to support programs that target affordable housing, supportive housing, urban and rural preservation, as well as property rehabilitation. The following is a breakdown of how the funding was dispersed to various housing programs:

- \$23.649 million for the Rural Rental Assistance Program;
- \$9 million for municipal relief to the City of Albany;
- \$8.479 million for the Neighborhood Preservation Program;
- \$8.333 million for the New York State Supportive Housing Program, the Solutions to End Homelessness Program, the Operational Support for AIDS Housing Program, or to qualified grantees under such programs; and,
- \$3.539 million for the Rural Preservation Program.

The 2017-2018 State Budget language was also modified to allow the Office for the Aging to expend a \$2 million MIF allocation for Naturally Occurring Retirement Communities (NORCs) and Neighborhood NORCs. These provide a variety of services to help seniors

remain in their homes, and the 2018-2019 State Budget included \$2 million to support each program.

E. Bifurcation of State Low-Income Housing Tax Credits

Low-income housing tax credits encourage investment of private equity in the development of affordable rental housing for low-income families, and the 2018-2019 State Budget included an agreement to help spur further private investment in affordable housing by making key changes to the way State Low-Income Housing Tax Credits (SLIHCs) are administered, through the process of bifurcation and certification.

For developers of new low-income housing units receiving SLIHCs, bifurcation and certification will allow the sale of State credits among investing partners separate from the assignment of federal credits. This will ensure the credits are available to a broader audience, providing additional incentive for much-needed investment in affordable housing developments.

This year's budget also rejected a proposal to defer the payment of certain tax credits – including SLIHCs, the Brownfield redevelopment tax credit and credits for the rehabilitation of historic properties – until 2021. This deferral strategy had the potential to jeopardize the financial standing of planned affordable housing projects and construction already underway.

F. Design-Build Authorization for the New York City Housing Authority

The New York City Housing Authority (NYCHA) is home to nearly 400,000 low-income New Yorkers – 80 percent of whom were without heat at some point between October 1, 2017 and January 22, 2018. The heat outages were due, in large part, to failing boilers and infrastructure in the agency's 326 aging developments.

The 2018-2019 State Budget authorizes a design-build procurement process, through which one contract is awarded for both the design of a project and the subsequent construction, for the New York City Housing Authority (NYCHA) to expedite boiler replacements and other critical repairs.

IV. LEGISLATIVE HEARINGS

Oversight of the State Fiscal Year 2018-2019 Budget

The Committee held a hearing on December 20, 2018, to review the impact and implementation of the 2018-2019 State Fiscal Year budget for New York State Homes and Community Renewal. The Committee has always sought and valued feedback on how the State's investments are affecting the preservation and development of affordable housing that

works for all New Yorkers, and this year also welcomed testimony regarding recent changes to State and federal tax law as they have affected financing of affordable housing projects.

Several witnesses provided testimony to the Committee members present regarding the impact of the 2018-2019 budget on their organizations' operations and stressed the continued importance of steady, reliable funding in achieving New York's housing goals. Others noted the difficulties public housing authorities face when attempting to access allocated funding, and proposed alternatives in the interest of maintaining safe, affordable public housing units that meet the needs of their residents.

V. OUTLOOK FOR 2019

In the coming legislative session, the Assembly Standing Committee on Housing will fight to extend and strengthen rent regulation laws as part of its longstanding commitment to protecting low- and middle-income tenants from being priced or forced out of their homes. Legislation to curtail the practice of "bait and switch" when it comes to preferential rents, to repeal the vacancy bonus, and to moderate rent increases resulting from property improvements will continue to be priorities in preserving the affordability of these units.

Public housing authorities throughout the State, our greatest sources of truly affordable housing, need our support now more than ever. Chronic underfunding has left these agencies – particularly the New York City Housing Authority (NYCHA) – struggling to maintain their aging properties and respond to tenant complaints. The Assembly Majority has led the fight to secure more of the funding and resources needed to help right some of these wrongs, and in the coming year, the Committee will continue to seek and promote policies to ensure that these units remain affordable, safe spaces for their residents.

The Committee will also remain focused on identifying and securing capital funding, as well as leveraging private resources, to support the preservation and development of affordable and supportive housing statewide. Finally, the Committee will work to advance legislation that leads to the creation of new housing opportunities, and will reexamine existing programs to ensure that they are effective, efficient and yielding the greatest possible benefit to New York's families.

APPENDIX A

**2018 Summary Sheet
Summary of Action on All Bills Referred to the Committee on Housing**

Final Action	Assembly Bills	Senate Bills	Total Bills
Bills Reported With or Without Amendment			
To Floor; Not Returning to Committee (Favorable)	10	0	10
To Ways and Means	4	0	4
To Codes	11	0	11
To Rules	2	0	2
To Judiciary	0	0	0
Total	27	0	27
Bills Having Committee Reference Changed			
Total	0	0	0
Senate Bills Substituted or Recalled			
Substituted	0	0	0
Recalled	0	0	0
Total	0	0	0
Bills Defeated in Committee	0	0	0
Bills Held for Consideration with a Roll-Call Vote	0	0	0
Bills Never Reported, Held in Committee	18	0	18
Bills Having Enacting Clauses Stricken	8	0	8
Motions to Discharge Lost	0	0	0
Total Bills in Committee	209	11	220
Total Number of Committee Meetings Held		6	

APPENDIX B

Bills that Passed the Assembly in 2018

BILL #	SPONSOR	DESCRIPTION
A.268	Rosenthal L	Would create parity between rent control and rent stabilization by capping increases for rent-controlled apartments at a level equal to the average of the previous five rent increases under the Rent Guidelines Board for one-year rent-stabilized renewal leases.
A.353	Braunstein	Would clarify existing procedures and establish new procedures related to refinancing provisions in ground leases. Ground leases are long-term leases of real property that allow the tenant to construct, improve or renovate structures upon the property.
A.433	Rosenthal L	Would repeal provisions of law that authorize removal of apartments from rent regulation when these apartments are vacated and the authorized rent is \$2,733.75 or more, with the threshold adjusted annually based on the one-year renewal lease percentage increase guideline issued the prior year by the Rent Guidelines Board.
A.1628	Mosley	Would reduce the amount of rent increase a landlord could collect, for any building, from 1/40 th to 1/84 th of the cost of an individual apartment improvement (IAI). Would adjust the amount of rent increase a landlord can collect, for any building, from 1/40 th to 1/84 th of the cost of an Individual Apartment Improvement (IAI); require the Division of Housing and Community Renewal (DHCR) to issue a schedule of reasonable costs for upgrades and improvements that may be claimed as a basis for an adjustment; and require DHCR to approve each adjustment claimed.
A.1760	Hevesi	Would require a specific timeline to which the Division of Housing and Community Renewal must adhere when setting rent reduction schedules in order to provide rent-regulated apartments that have electricity factored into their base rent with a fair reduction at the time submetering begins.
A.1930-A	Joyner	Would require the Division of Consumer Affairs to establish a “Lease and Landlord Fraud Awareness” program by developing written materials and brochures to be made available to the general public and local municipalities.
A.4003	Rosenthal L	Would codify the findings of two 2010 cases, <i>Cintron v. Calogero</i> and <i>Grimm v. DHCR</i> , by allowing the court to look past the statutory four-year period for challenging a legal regulated rent amount when there is an indication of fraud or when the owner has failed to comply with a rent reduction order.
A.4504	Blake	Would require Mitchell-Lama developments to follow an established process for processing applications, managing waiting lists, and denying tenancy.

A.4775	Blake	Would require the Division of Housing and Community Renewal to include, in its annual report relating to the Mitchell-Lama program, information regarding any limited-profit housing company that has voluntarily dissolved in the preceding calendar year, as well as any limited-profit housing company that has, in the current calendar year, filed a notice of its intent to dissolve.
A.5560	Cymbrowitz	Would raise the income limits for families that would be eligible for Mitchell-Lama housing.
A.5685-A	Hunter	Would explicitly authorize tenants of one- and two-unit dwellings to deduct the cost of a water bill from their rent in cases where the landlord has failed to make such payment.
A.6028-C	Hunter	Would allow individuals with a disability to terminate a lease early, without penalty, when they are moving to a residence of a family member or entering certain facilities.
A.6285	Cymbrowitz	Would prohibit an owner from terminating a preferential rent upon the renewal of a lease.
A.8409-B	Glick	Would update the application requirements for units applying for coverage under laws relating to interim multiple dwellings (or “lofts”) that were residentially occupied for 12 consecutive months beginning January 1, 2008 and ending December 31, 2008; would establish a new eligibility period for units that were residentially occupied for at least 12 consecutive months from January 1, 2015 until December 31, 2016; and would remove a June 15, 2017 application deadline.
A.8886-A	O’Donnell	Would clarify the conditions for the Division of Housing and Community Renewal’s approval of a major capital improvement (MCI) rent increase, codify the MCI as a surcharge to the legal maximum regulated rent, and terminate the MCI surcharge after the cost of improvement has been recovered.
A.8993	Cymbrowitz	Would amend Chapter 305 of the Laws of 2017 to clarify that all condominiums and cooperative housing corporations are required to submit, to the board of directors, annual notice of applicable laws regarding related party and interested party transactions and the votes that were subject to such laws.
A.8994	Titus	Would codify the current policies and practices of the New York City Housing Authority in relation to granting preference to tenants with physically disabling conditions affecting mobility when a unit on a lower floor becomes available.
A.9815	Pichardo	Would repeal the ability of a landlord to obtain a 20 percent increase in rent pursuant to the statutory vacancy bonus provision of the Emergency Tenant Protection Act.

A.9816	Taylor	Would allow a court or DHCR to consider any year during which an owner or landlord has not timely filed an annual rent registration statement when determining the legal regulated rent, and would require the owner or landlord to provide prospective tenants with documentation supporting any allowable increases in the legal regulated rent during the previous four years.
A.10053	Heastie	Would authorize the design-build contracting process for the New York City Housing Authority (NYCHA) and require additional reporting on NYCHA's policies and procedures relating to lead-based paint poisoning prevention.
A.10193-B	Hunter	Would provide in multiple residence law that no rent shall be collected for a unit without a valid certificate of occupancy and that the Division of Housing and Community Renewal can require tenants to vacate any dwelling where a nuisance exists.
A.10501	Kim	Would extend the authority of the New York City Department of Housing Preservation to establish the initial rent for residential property rehabilitated or constructed using a participation loan, pursuant to Article 16, until June 30, 2021.
A.10502	Dilan	Would extend the authority of the New York City Department of Housing Preservation and Development to establish the initial rent for residential property rehabilitated or constructed by a housing development fund company for an additional four years, until June 30, 2021.
A.10559	Niou	Would extend the authority of the New York City Department of Housing Preservation and Development to establish the initial rent for certain multiple dwellings that have received a municipal rehabilitation loan, pursuant to Article 8 of the Private Housing Finance Law, until June 30, 2021.
A.10560	Walker	Would extend the authority of the New York City Department of Housing Preservation and Development to establish the initial rent for qualified multiple dwellings until June 30, 2021.
A.10561	Joyner	Would extend the authority of the City to permit evaporation of (or reduce to zero) liens for municipally-financed repairs on properties for which administrators have been appointed pursuant to Article 7-A until June 30, 2021.
A.10605	Epstein	Would extend the authority of the New York City Department of Housing Preservation and Development to establish the initial rent for certain multiple dwellings that have receive a municipal rehabilitation loan, pursuant to Article 8-A of the Private Housing Finance Law until June 30, 2021.
A.10828	Cymbrowitz	Would increase the bonding authority of the New York City Housing Development Corporation from \$12.5 billion to \$13.5 billion.

APPENDIX C

Chapters of 2018 – Bills Signed into Law by the Governor

CHAPTER	ASSEMBLY BILL # (SPONSOR)	SENATE BILL # (SPONSOR)	DESCRIPTION
9	A.8993 (Cymbrowitz)	S.7279 (Golden)	Amends Chapter 305 of the Laws of 2017 to clarify that all condominiums and cooperative housing corporations are required to submit, to the board of directors, annual notice of applicable laws regarding related party and interested party transactions and the votes that were subject to such laws.
13	A.8994 (Titus)	S.7286 (Hamilton)	Codifies the current policies and practices of the New York City Housing Authority in relation to granting preference to tenants with physically disabling conditions affecting mobility when a unit on a lower floor becomes available.
92	A.10501 (Kim)	S.8532 (Little)	Extends the authority of the New York City Department of Housing Preservation (HPD) to establish the initial rent for residential property rehabilitated or constructed using a participation loan, pursuant to Article 16, until June 30, 2021.
93	A.10502 (Dilan)	S.8531 (Little)	Extends the authority of the New York City Department of Housing Preservation and Development (HPD) to establish the initial rent for residential property rehabilitated or constructed by a housing development fund company for an additional four years, until June 30, 2021.
95	A.10559 (Niou)	S.8529 (Little)	Extends the authority of the New York City Department of Housing Preservation and Development (HPD) to establish the initial rent for certain multiple dwellings that have received a municipal rehabilitation loan, pursuant to Article 8 of the Private Housing Finance Law, until June 30, 2021.
96	A.10560 (Walker)	S.8528 (Little)	Extends the authority of the New York City Department of Housing Preservation and Development (HPD) to establish the initial rent for qualified multiple dwellings until June 30, 2021.
97	A.10561 (Joyner)	S.8527 (Little)	Extends the authority of the City to permit evaporation of (or reduce to zero) liens for municipally-financed repairs on properties for which administrators have been appointed pursuant to Article 7-A until June 30, 2021.

98	A.10605 (Epstein)	S.8530 (Little)	Extends the authority of the New York City Department of Housing Preservation and Development (HPD) to establish the initial rent for certain multiple dwellings that have receive a municipal rehabilitation loan, pursuant to Article 8-A of the Private Housing Finance Law until June 30, 2021.
255	A.10828 (Cymbrowitz)	S.8783 (Golden)	Increases the bonding authority of the New York City Housing Development Corporation from \$12.5 billion to \$13.5 billion.